

March 29, 2022

Dear Chair Lyons and Members of the Senate Health and Welfare Committee,

I am writing on behalf of our members to express concern about the impact of the numerous proposals to add benefits, limit payers' ability to manage member's costs, and the regulatory decisions that fail to curb consolidation which lead to further pressure on premiums. These are in addition to the enormous external economic pressures that will cumulatively result in higher health insurance premiums for Vermonters.

Blue Cross is not expressing support nor opposition to H.266 to add hearing aids as a covered benefit. **We request that you align the hearing aid benefit for the large group marketplace with the [GMCB Order](#) for the individual and small group qualified health plans, and limit replacement of the devices to once every three years.** Inconsistent hearing aid benefits among these groups could cause confusion among providers and patients and add administrative complexity. Additionally, our actuaries' previous analysis of providing hearing aid coverage suggests the pent-up-demand will make this more costly in the initial few years than the estimates provided in the Department of Financial Regulation report for the individual and small group marketplace.

There are enormous upcoming pressures on health care premiums ranging from relatively small changes to some that will have a significant impact – but each one will result in higher, not lower costs for Vermonters with commercial health insurance coverage. A few of the more significant pressures are:

- The substantial mid-year hospital budget increases currently under consideration by the Green Mountain Care Board, which will be followed by the 2023 increases that will be proposed this summer.
- Uncertainty around the federal extension of the expanded Advanced Premium Tax Credits for individuals that currently are set to expire at the end of 2022.
- For small employers, the possibility that the markets will be re-merged and causing them to again assume over \$17 million in costs—this could be resolved by following 48 other states and permanently unmerging the two markets.
- In addition to adding hearing aids, the GMCB just approved three no-cost share primary care and mental health care visits for every standard plan, eliminating this as a consumer choice in benefit design, and including these visits in base premiums.
- A number of Legislative proposals that would increase prices including [H.353](#), the Pharmacy Benefit Manager (PBM) bill that would limit our leverage to negotiate for better drug prices against manufacturers. Along with consideration of [S.242](#) that

would prevent insurers from obtaining medications at the lowest cost for patients in favor of further hospital consolidation.

All of this is in addition to the ongoing costs of the COVID-19 pandemic—directly in testing and treatment and indirectly in federal and state emergency rules and regulations—that continues to be funded out of member reserves and has not yet included in premiums for Blue Cross members.

Given the broad concerns around premium costs and out-of-pocket expenses that led to the Task Force on Affordable Accessible Health Care for Vermonters, we are concerned that so little consideration is being given to the profound collective impact of these changes will have on affordability.

Sincerely,

Sara Teachout, Corporate Director, Government and Media Relations
Blue Cross and Blue Shield of Vermont